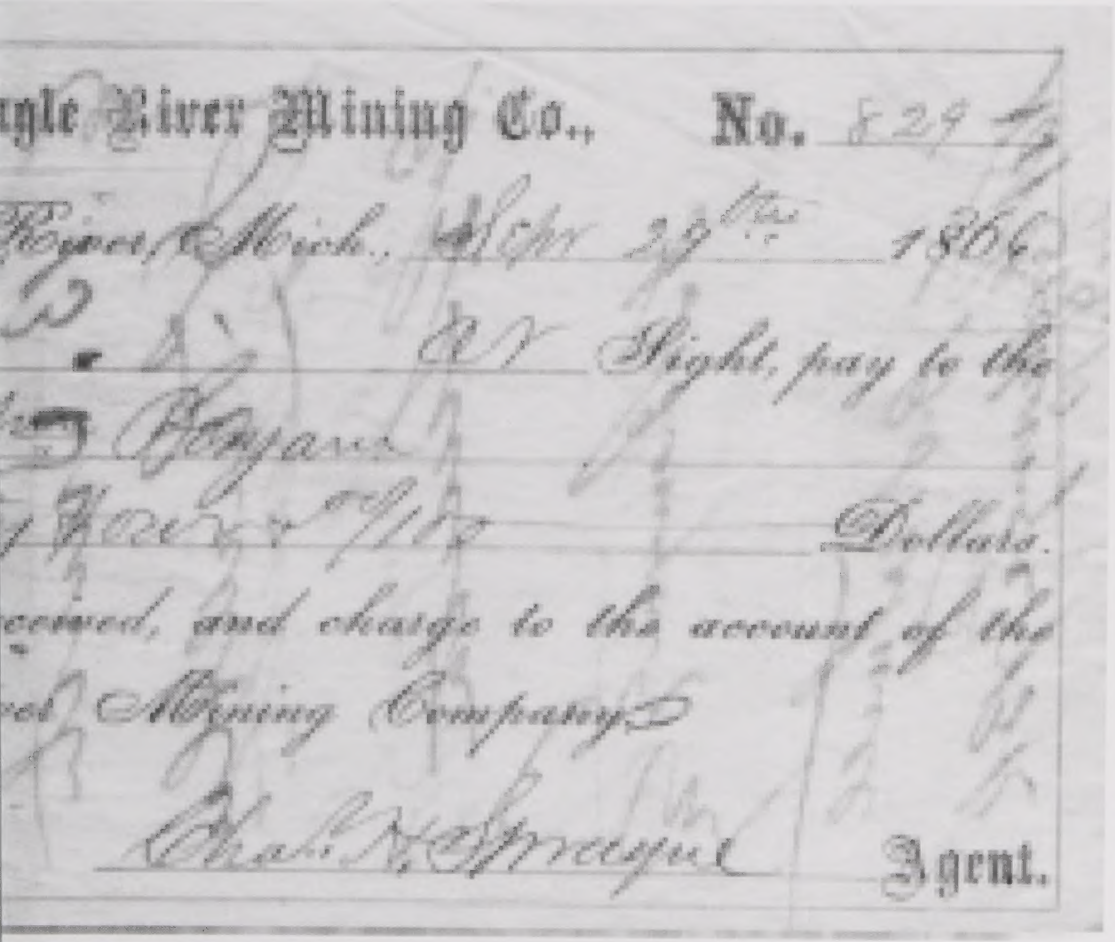
Official Publication of the Paper Money Collectors of Michigan

The Rag Picker

VOLUME LIII, NUMBER 4 OCTOBER, NOVEMBER, DECEMBER 2021



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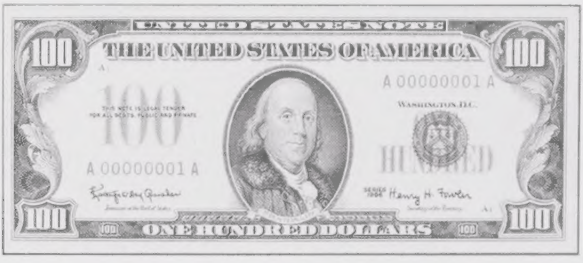

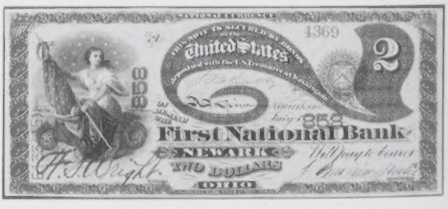

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ANA 1891 MEMBER

OFFICIAL PUBLICATION
OF THE PAPER MONEY COLLECTORS OF MICHIGAN

Volume LIII, Number 4
October - November - December

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Editor

William Brandimore
48241 Lake Valley Dr.
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billbrandimore@charter.net

Our Cover: Eagle River Mining Company, Eagle River, Michigan sight draft. A new gem discovered under the rocks from a revenue stamp dealer.

Editor's Column: The FUN Show auctions were amazing. Prices were crazy for Fractionals, Large size and Nationals. I wanted to bid on several Canadian notes but they went too high for me. The 1935 group included low serial numbers and was especially crazy. A $20 English note featuring a youthful Princess Elizabeth in PMG 45 brought $6,000 with buyer's fees. A $50 graded Duke of York (later George VI) brought $19,800 after a starting bid of $7,500. In U.S. high denominations, a 64 graded $5,000 1935FRN sold for $312,000, while a $10,000 1934 FRN in 63 realized

$300,000. My worry is that at a certain point we will revisit the drop of the 2008 and 2009 values that we have really just recovered from.

I just attended a Zoom meeting for the Chester County Group, a member club for 50 years or so. The Zoom advantage is that retirees from Florida and the West Coast can attend. Is this of interest to anyone? We could hold an annual Zoom meeting and get more input then we get from low attendance meetings at Michigan State shows. Let me know how you feel. We need to do something to stabilize our membership.

Thanks to Frank Passic for his feature article. Send us some notes about a topic you love. I am at billbrandimore@charter.net .

President's Column: We enjoyed a smaller but active MSNS show Thanksgiving weekend. Dany Rothfeld won the Wally Lee award with a great National Bank Note exhibit. We held our meeting on Friday and discussed our dwindling membership. We are down to 160 members and the two main "active" members are Dave Gelwicks and myself. The club cannot sustain itself without more activity.

New members are required to survive our next 50 years! Consider adding your children or grandchildren as members for $1 per month as William Nettles did with his son Rob this month. Thank you.

If you go to local shows, put out some of our membership applications. Please reproduce them, or if you need many, ask us to send them to you. We are financially fine, but new membership numbers remain unhealthy for at least the last5-years. Please contact me at 586-214-1444, or billbrandimore@charter.net, if you have any ideas.

If we don't grow, we may consider merging with another club. This would be disheartening after our recent 50-Year membership award from ANA.

We are starting over on want ads. Please submit ads for next issue. As most have become stale.

Secretary's Column:

New Member - No. 3900
Rob Nettles

Thanks for joining us Rob. How long will it take pushing the membership cart up the hill to get to member No. 4000?

Donation - No. 3656
Michael Snyder

Michael has added funds to his annual dues for several years now. Thank you.

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Thank you to the 25% of the membership who have already submitted your 2022 annual dues. If unsure if you have paid or not, please check your mailing address label. If the year states 2021 you still owe 2022 dues such as:

Dave Gelwicks 3025-2021
PO Box 2596
Monroe, MI 48161

Please remember to update any changes in your address, email and phone numbers when you submit the dues. I still only have a fraction of the emails for the total membership on file.

Treasurer's Column:

	3/31/21	6/30/21	9/30/21	12/31/21
Fid. Equity Income	$14,485.32	$15,421.79	$15,795.35	$16,365.99
Fid. Limited Bond	$6,248.15	$6,289.71	$6,302.18	$6,232.22
PNC Checking	$4,459.03	$4,125.45	$4,771.25	$4,555.23
Total	$25,192.50	$26,836.95	$26,868.78	$27,153.44

As shown above and previously reported, the club financial strength continues strong. One would think that other clubs would be willing to join with us to combine our collecting goals and publications if our membership continues to dwindle.

The strong bottom line had a large growth when prior membership decided to invest in the Fidelity funds. Selection of a new Rag Picker printer, dues payments without invoicing and eliminating the mailing of annual membership cards have all contributed to the total invested in the most recent annual net asset results.

Thanks to all.

THE ALBION SECOND CHARTER $10 BROWNBACK

By Frank Passic

Albion National Bank circa 1910

One of the more difficult communities for collectors to obtain a National note for is Albion, Michigan. The history of the First National Bank of Albion, and its successor, the Albion National Bank, is a saga of mismanagement and crime, which has been studied extensively by this author. The three known surviving Nationals from the FNB of Albion, all Second Charter $10 Brown Backs, serve as a reminder of this bank's place in Albion and Michigan history.

The First National Bank of Albion received its charter No. 3316 in March 1885, with an original capital of $100,000. It succeeded the National Exchange Bank of Albion, charter No. 1544, whose twenty-year charter had expired (Incidentally, one First Charter $10 note is known from that bank). Original officers were Samuel V. Irwin, president, Willoughby O'Donoughue, vice-president and Henry M. Dearing, cashier. The bank was located at 217 S. Superior St. in downtown Albion. After Irwin died in 1890, O'Donoughue became the new president.

The First National Bank

Of ALBION, MICH.

Capital - - -	$100,000.00
Surplus - - -	$25,000.00
Security to Depositors	$225,000.00

OFFICERS:

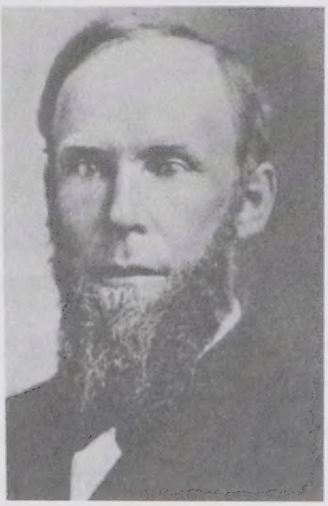
W. O'Donoughue, Pres. I. L. Sibley, Vice-Pres.
H. M. Dearing, Cashier
S. Hyney, Ass't Cashier.

DIRECTORS:

W. O'Donoughue I. L. Sibley
M. D. Weeks W. W. Austin
A. J. Howell J. C. Eslow
O. Harry Gale

Irwin (1823-1890) was one of the organizers of the Albion Public Schools and served on the first school board. He was a farmer, an investor, as well as a banker, and was active in community affairs.

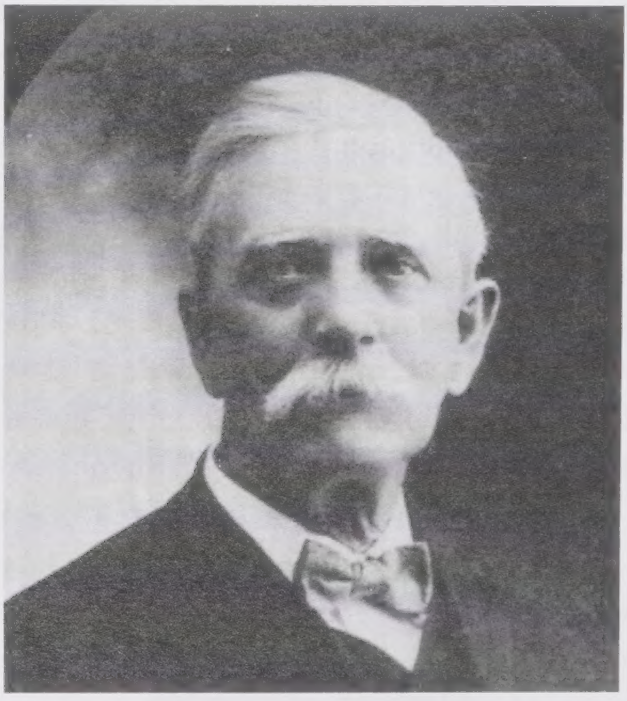
Dr. Willoughby O'Donoughue (1832-1915) was a practicing physician/ surgeon who served as a surgeon during the Civil War in the Michigan Engineers and Mechanics Regiment. Following the War, he engaged in the drugstore and book business, and in the early 1880s was secretary and treasurer of the Albion Manufacturing Company. He became associated with the National Exchange Bank of Albion as its vice-president around 1870 where he continued in that position until becoming its president in 1890.



Dr. Willoughby O'Donoughue

Cashier Henry Montgomery Dearing (1839-1927) was a New York native who came to Albion at a young age, and was educated both in the Albion school system, and at Albion College. Henry engaged in the dry goods business for fifteen years in the 1860s and 1870s, before being hired as cashier of the National Exchange Bank in 1877. He continued in that position throughout the subsequent histories of the Albion banks. He too, was active in civic life, serving on the school board, the Village Council, and other local positions.

Unfortunately, the First National Bank of Albion suffered from mismanagement on the part of cashier Dearing. Because of his incompetence, the bank ran up several large debts during the 1890s, and was forced to reduce its capital in 1897. The U.S. Treasury had approved the reduction, but the Comptroller of the Currency refused to approve the reduction unless Mr. Dearing was removed from his position. Only a petition drive by Albion merchants kept Dearing in office at the time.



Henry Montgomery Dearing

When the bank charter expired in 1905 and it was reorganized into the Albion National Bank (Third Charter period, charter 7552), Dearing secretly discovered the finances of the First National were still in poor shape, and that he had erroneously overpaid depositors and stockholders interest and dividends over several years, amounting to

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PAPER MONEY COLLECTORS OF MICHIGAN

MEMBERSHIP APPLICATION

The PAPER MONEY COLLECTORS OF MICHIGAN cordially invite you to become a member. Membership is world wide. Whether a novice or veteran paper money collector, our publication "*The Rag Picker*" will be a tremendous help to you. Four big issues are published each year with informative articles covering all phases of paper money collecting. *The Federal Reserve Note Exchange* is only one of the great service features. Our dedicated members sell and trade notes you may need. A four line free ad per issue comes with the membership fee of $12.00 U.S. and $13.00 Canadian. Half year memberships after July 1st are reduced 50%. Join with us...mail to:

PMCM Secretary, Dave Gelwicks, P.O. Box 2596, Monroe, Michigan 48161

Name _____ Phone _____ Age _____

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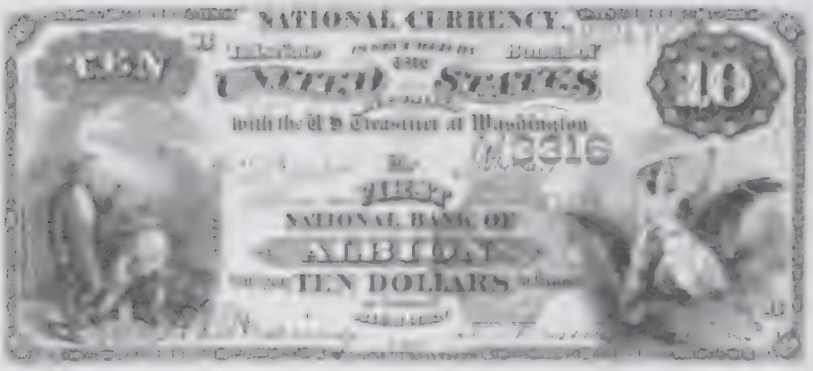
Other Club Memberships _____

Recommended by _____

$40,000. Furthermore, beginning in 1902, the bank had invested heavily into the newly formed Cook Manufacturing Company, a producer of gasoline engines. The company ran up a huge debt, and Mr. Dearing began to forge bank loan notes on the names of depositors in order to keep the firm in business. He also tore out bank ledger sheets to hide customer deposits in order to use those funds as part of his money-shifting scheme. These practices snowballed and continued under the Albion National Bank name beginning in 1905, until the U.S. Bank Examiner discovered the crime in December 1911. The Albion National Bank was closed on New Year's Day, 1912.

At that time in 1912, it was discovered that the liquidation affairs of the old First National Bank of Albion had not been completed. The books showed that three 14% dividend payments were made, while in reality only two dividends were paid to stockholders, amounting to around $30,000. The U.S. Bank Examiner discovered that several stockholders of the FNB of Albion had written cashier Dearing threatening letters about the lack of dividend payments, which were found in cashier Dearing's desk. Along with the forgeries and other crimes that he committed, Dearing was found guilty of and was sentenced to five years in prison at the Federal penitentiary at Leavenworth, Kansas. He served three years and nine months before being released. Dearing spent the remainder of his life in the Detroit area until his death in 1927.

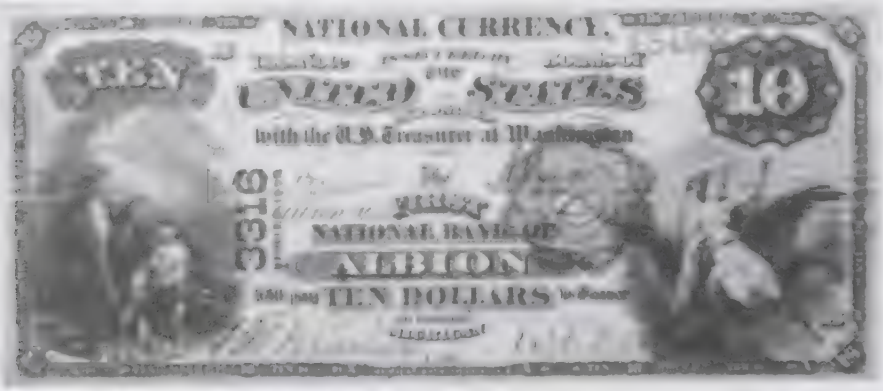
The FNB of Albion issued $271,250 worth of Large Size National notes, all Series of 1882 Second Charter Brown Backs. The bank issued 5,425 sheets of notes with the 10-10-10-20 combination, meaning 16,275 $10 notes were produced totaling $162,750, and 5,425 $20 notes were issued totaling $108,500. Only three Second Charter Nationals, all of the $10 denomination, Friedberg-480, Series of 1882, are known to exist today. The face design features Benjamin Franklin on the left, drawing electricity from a kite with a key attached; on the right is Liberty riding an eagle, clutching lightning in her hand. The signatures of the Register of the Treasury, Blanche Kelso Bruce appears left of center, while that of the Albert U. Wyman, Treasurer of the United States, appears right of center. On the back of the note in the center with big bluish numerals surrounded by brown ink printing is the bank charter number "3316." On the left is the seal of the State of Michigan; on the right is an American eagle. The notes measure 7 3/8 x 3 1/8 inches in size.



$10 Series of 1882 Brown Back – 1st note collected

The first known note was originally sold as part of the Albert A. Grinnell collection. It was auctioned on June 16, 1945, Lot Number 1752. It realized $15 at the time. This note remained out of the collecting community until the 1990s, when Michigan paper money expert Larry Falater was able to acquire this. It bears a local serial number of 4486, meaning this was a somewhat later issue of the total 5,425 sheets of notes issued by the bank, during its existence from 1885 to 1905. The bank charter number 3316 appears horizontally just above and to the right of the Wyman signature. Larry subsequently sold the note to Michigan collector Lee DeGood, who held it for several years. Lyn Knight Currency Auctions auctioned this note, graded VF, on March 10, 2007, where it realized a price of $5,520. There it was re-acquired by Larry Falater who still holds it again today.

This writer purchased the second known note on June 14, 1994. It bears an earlier bank serial number of 1240. Interestingly, the bank charter number 3316 appears on the left however, in a vertical position just to the left of "SERIES OF 1882". The signatures of cashier Dearing and president O'Donoughue appear locally below. Because O'Donoughue's signature is present, this would indicate this particular note was released in 1890 or later, as president Irwin died in 1890.



$10 Series of 1882 Brown Back – 2nd note collected

The pedigree of this note traces back to the bank vice-president, Warren S. Kessler (1845-1933). Kessler was the founder and president of the Albion Malleable Iron Company, a major Albion employer for many decades. Kessler served on the board of directors of the bank and vice-president in the late 1890s. Kessler would attend an annual dinner on July 4 at the "Malleable Shack", the company cottage at Duck Lake, ten miles north of Albion. Mrs. Otielge Schumacher (1879-1933), wife of Malleable superintendent Carl Schumacher, would do the cooking for the event, held in honor of Mr. Kessler. She spent many hours in preparation for the event, which was described as a "bountiful feast" according to family members. On July 6, 1926, Mr. Kessler presented Otielge with this $10 banknote in appreciation of her many years of cooking and service.

Mrs. Otielge Schumacher

The note became a family heirloom, and was inherited by Otielge's son Harold Schumacher (1904-1999) upon her death in 1933. Harold served as a chauffeur for Mr. Kessler in the late 1920s. He later became manager of the Michigan Retail Hardware Association and served there for many years. This writer became aware of this note's existence in 1985 in correspondence with Harold. After consultation with family members, Harold (at age 90), sold the banknote to this author on June 14, 1994. Thus, it had been in the Schumacher family for 68 years. The funds from the sale were donated to the Albion Community Foundation. This note appears on the cover of the book "Albion's Banks and Bankers" written by this author in 1985. Consult that book for a more detailed history of the Albion's National banks. A copy is available at the ANA Library in Colorado Springs, Colorado.

Frank Passic & Harold Schumacher, June 14, 1994

$10 Series of 1882 Brown Back – 3rd note collected

In summary, the story of the history of the FNB of Albion gives the remaining few $10 Second Charter Brown Backs a special meaning, not only to collectors, but to historians as well.

WANT ADS

(Use Pull-Out Pages from Rag Picker and submit to Editor Brandimore)

Wanted, Michigan nationals and obsolete notes, uncut sheets or anything from Flint and Genesee County banks or Flint River. John Spohn, Auburn, MI, 48611, 989-266-3293 or sunnybrookfarmsstudio@yahoo.com. PMCM #3550-3.

Wanted, circulated web press notes and silver certificate star * notes and most FRN star * notes, all denominations. Thomas A. Kuss, 2723 Woodford Dr., Springfield, OH 45503. PMCM #3422-1.

Looking for both ends of the state from UP nationals and mining scrip to Monroe nationals and obsolete bank notes. Dave Gelwicks, michiganscrip@gmail.com, PMCM $3025-1.

FRN TRADERS LIST

Daryl A Crotts, PO Box 780383, Wichita, KS 67278-0383, 316-681-3688

Robert Azpiazu, Jr., PO Box 1565, St. Augustine, FL 32085, $1 and $5

Michael A Crabb, Jr., PO Box 17871, Memphis, TN 38187-0871

Don Patrick, 501 Campusview St. #2, Garden City, KS 67846, $1 and $5

Alex Delatola, PO Box 577, Pittstown, NJ 08867

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PMCM Library

Our club has obtained a library of CD's of various paper money presentations over the years. Portions of many of these have been shown at various PMCM annual meetings.

These items are free of charge and can be lent and sent to anyone who requests them at michiganscrip.@gmail.com or 734-755-4071.

Title	Presenter	Time
Allied Military Currency Used During the Surrender of Okinawa	Gerald Kochel	28:15:00
The Civil War, the Comptroller's Office & 73 Years of Bank Notes *	Peter Huntoon	56:00:00
Civil War Money*	Peter Huntoon	60:63:00
Civil War Money and Financing the Conflict	Peter Huntoon	56:06:00
Civil War Era Banks & Bank Notes in the Northern States	Wendell Wolka	71:17:00
Collecting Confederate Paper Money	Pierre Fricke	60:30:00
Collecting Metal Savings Banks	David Hunsicker	25:40:00
Collecting Small-Sized Paper Money	Joseph Ridder	39:42:00
Colonel Green: America's Most Extravagant Collector	Peter Huntoon	63:06:00
Food Stamps and Coupons *	Peter Huntoon	64:52:00
Large Size Replacement National Bank Notes, 1903-1920	R. Shawn Hewitt	37:54:00
Liberty Loan Bonds of 1917-1919	Larry Schuffman	37:38:00
Large Size Silver Certificate Bank Notes	Sergio Sanchez	37:44:00
Midwest States During the Civil War	Robert Girardi	64:21:00
Obsolete Paper Money: History, Rarity & Today's Market	Q. David Bowers	35:04:00
Overview of National Bank Notes	Allen Mincho	39:36:00
Paper Money in the United States 1690 to the Present	John & Nancy Wilson	57:33:00
Short Snorters & Other Numismatic Souvenirs of WWII	Ray & Steve Feller	42:41:00
Stories about Broken Bank Notes from the Midwest	Wendell Wolka	50:52:00
Ways to Collect 1929 Small Size National Bank Notes	James Simek	49:26:00
Creation of Paper Money during the Great Depression	Peter Huntoon	62:53:00
Hawaiian Paper Currency	Carlson Chambliss	39:54:00
Chicago Large Size National Bank Notes	Peter Huntoon	18:04
Colorful Characters in Paper Money	Ray & Steve Feller	47:38:00
Collecting United States Savings Bonds	Fred Schwan	57:31:00
An Illustrated History of U.S. Paper Money Mistakes	Fred & Doris Bart	unknown
Paper Money of WWI & Their Counterfeits	Col. Joseph Boling	64:31:00
How To Detect Paper Currency Doctoring	Jeffrey Paunicka	47:43:00
Paper Money of the Mexican Revolution	Elmer Powell	30:08:00
Money of Iowa Pre-Civil War to WWII POW Camp Scrip	Steve Feller, Ph.D.	69.06

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